

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 ARA-06 AF-06 AGR-05 CEA-01

CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05

L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15

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E.O. 11652: NA

TAGS: ETRD EEC LA

SUBJECT: EC/LATIN AMERICA: CECLA AMBASSADORS HOLD ANOTHER  
MEETING WITH THE EC

REF: EC BRUSSELS 9745 (DECEMBER 11, 1974)

1. BEGIN SUMMARY: LATIN AMERICAN AMBASSADORS TO THE EC HELD THE  
LATEST OF THEIR TWICE YEARLY MEETINGS WITH THE EC ON JUNE 30. DIS-  
CUSSION FOCUSSED ON TRADE RELATIONS, CECLA'S FEARS THAT DEEPENING  
LINKS BETWEEN THE EC AND DIFFERENT THIRD WORLD GROUPS (ACPS,  
MEDITERRANEAN, ETC.) COULD BE DETRIMENTAL TO THEM, AND SOME  
SPECIFIC COMPLAINTS ON BEEF AND BANANAS. THE TONE OF THE MEETING  
WAS CORDIAL. END SUMMARY.

2. THE FIRST SESSION OF THE SIXTH MEETING BETWEEN AMBASSADORS  
ACREDITED TO THE EC FROM MEMBER COUNTRIES OF THE SPECIAL LATIN  
AMERICAN COORDINATING COMMISSION (CECLA) AND REPRESENTATIVES OF  
THE EUROPEAN COMMUNITY (COMMISSION AND MEMBER STATES) TOOK PLACE  
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IN BRUSSELS ON JUNE 30. THE SECOND SESSION IS SCHEDULED TO BE

HELD BEFORE THE END OF THE YEAR. BRENDAN DILLON, IRISH PERM REP, LED THE EC DELEGATION AND MR. GRUNWALDT-RAMASSO, AMBASSADOR TO THE EC FROM URUGUAY, HEADED THE LATIN AMERICAN GROUP.

3. THE LATIN AMERICAN AMBASSADORS EXPRESSED APPRECIATION FOR THE SUPPORT THE EC IS GIVING TO LATIN AMERICAN REGIONAL INTEGRATION, FOR EXAMPLE THE CUMULATIVE RULES OF ORIGIN UNDER GSP FOR PRODUCTS FROM THE ANDEAN GROUP AND THE CENTRAL AMERICAN COMMON MARKET. THE AMBASSADORS ALSO COMMENTED FAVORABLY ON THE CREATION OF THE JOINT COMMITTEE ON TRADE AND COMMERCIAL QUESTIONS AND THE EC/ANDEAN SUB-GROUP ON TECHNICAL ASSISTANCE, AS WELL AS THE EC/MEXICO AGREEMENT.

4. HOWEVER, THE THRUST OF THE CECLA GROUP'S PRESENTATION WAS THEIR CONCERN, THOUGH LOW KEY, OVER DETERIORATING EC-LATIN AMERICAN ECONOMIC RELATIONS. THEIR 1974 TRADE DEFICIT WITH THE EC HAS, THEY ARGUED, BEEN FURTHER AGGRAVATED IN 1975 BY LOWER PRICES FOR BASIC MATERIALS AND RISING PRICES FOR PETROLEUM, FERTILIZER AND INDUSTRIAL PRODUCTS. THE CECLA GROUP MADE IT CLEAR THAT THEY ARE ALSO WORRIED ABOUT DEVELOPMENTS ELSEWHERE IN EC EXTERNAL RELATIONS. IN PARTICULAR, THE GROUP IS CONCERNED THAT THE IMPORTANCE OF THEIR DIALOGUE WITH THE EC NOT DIMINISH AS A RESULT OF DEEPENING LINKS BETWEEN THE COMMUNITY AND OTHER LDCS. THE GROUP CITED AND DIRECT AND INDIRECT EFFECTS WHICH SUCH LINKS MIGHT IMPLY FOR THEM, INCLUDING A DIMINISHED COMPETITIVE POSITION ON EUROPEAN MARKETS AND ON THE MARKETS OF THOSE COUNTRIES WHICH GRANT RECIPROCAL CONCESSIONS TO THE EC, WITH A RESULTING RELATIVE LOSS OF ATTRACTIVENESS FOR LATIN AMERICA AS A SITE FOR EC INVESTMENT. THE CECLA GROUP DID NOT RPT NOT RAISE ANY PROBLEMS OVER GATT HANDLING OF THE LOME CONVENTION, HOWEVER. A COMMISSION OFFICIAL WHO PARTICIPATED IN THE MEETING (AND DESCRIBED IT AS A "BORING EXERCISE") NOTED THAT THROUGHOUT THE ACP NEGOTIATION THE PRESENCE OF SEVERAL LATIN AMERICAN COUNTRIES IN THE ACP GROUP HAS ACTED AS AN EFFECTIVE BRAKE ON OPPOSITION TO LOME.

5. STRESSING THAT THE COMMUNITY IS ACTIVELY ENGAGED IN LIMITED OFFICIAL USE

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DEVELOPING PROPOSALS FOR DEALING WITH LDC PROBLEMS, THE EC SIDE SAID IT INTENDS TO FACE THESE PROBLEMS, "NOT BY DRAWING UP SPECIFIC POLICIES FOR CERTAIN GEOGRAPHICAL REGIONS, BUT BY PROVIDING ITSELF WITH A WIDE RANGE OF INSTRUMENTS ADAPTED TO SUIT THE DIFFERENT DEVELOPING COUNTRIES, AND THUS MEET THE NEEDS OF THESE COUNTRIES IN THE MOST APPROPRIATE WAY." THE COMMISSION NOTED THAT CECLA COUNTRIES ARE ALREADY MAKING USE OF EC COOPERATION

INSTRUMENTS (TRADE PROMOTION, INDUSTRIAL AND TECHNICAL COOPERATION, FOOD AID, ETC.), THAT THIS SHOULD CONTINUE, AND SHOULD BE EXTENDED TO INCLUDE NEW FORMS OF COOPERATION AS COMMUNITY COMPETENCE EVOLVES. THUS, ALTHOUGH THE EC DOES NOT HAVE A SPECIFIC DEVELOPMENT COOPERATION POLICY FOR LATIN AMERICA, THE COUNTRIES OF LATIN AMERICA NEVERTHELESS HAVE A PLACE IN THE COMMUNITY'S "OVERALL" DEVELOPMENT COOPERATION POLICY.

6. IN THE COURSE OF THE MEETING THE CECLA AMBASSADORS ALSO RAISED TWO SPECIFIC TRADE ISSUES: BEEF AND BANANAS. ON BEEF THEY FEEL THAT THE EC MARKET SITUATION, ONE YEAR AFTER THE BAN, HAS EASED SUFFICIENTLY TO BEGIN TO LIFT THE RESTRICTIONS WHICH THEY SAY ARE HAVING A SEVERE IMPACT ON LATIN AMERICAN "BEEF AND PORK" EXPORTS. THE AMBASSADORS WANT TO BEGIN TALKS NOW TO FIND PERMANENT SOLUTIONS. THEY ALSO COMPLAINED ABOUT MEMBER STATES' ADMINISTRATION AND ABOUT CECLA'S SHARE OF THE EC'S GATT QUOTA COVERING FROZEN BEEF (WHICH IS UNAFFECTED BY THE BAN). THIS QUESTION WAS SUBMITTED TO EXPERTS FOR STUDY. IN GENERAL, THE EC'S RESPONSE WAS THAT IT HAS SUBMITTED, IN THE CONTEXT OF THE MTN, PROPOSALS FOR INTERNATIONAL REGULATIONS TO GOVERN THE BEEF MARKET.

7. THE OTHER SPECIFIC PROBLEM, BANANAS, CONCERNS THE PROTOCOL TO THE EC/ACP CONVENTION OF LOME PROMOTING ACP SALES OF BANANAS IN THE EC, WHERE LATIN AMERICA HAS 60 PERCENT OF THE MARKET. THE COMMUNITY REPEATED ITS ASSURANCES THAT IT HAS "NO INTENTION OF DISCRIMINATION AGAINST BANANAS IMPORTED FROM LATIN AMERICA".

8. DEPARTMENT PLEASE REPEAT THIS MESSAGE TO LATIN AMERICAN POSTS AS APPROPRIATE. THE TEXT OF THE JOINT PRESS LIMITED OFFICIAL USE

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